

HOUSE BILL 1299

By Jernigan

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 2, relative to a tax upon incomes derived
from stocks and bonds that are not taxed ad
valorem.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 2, is amended by adding
the following as a new part:

67-2-201.

A municipality may by ordinance levy and collect an annual income tax on
incomes derived by way of dividends from stocks or by way of interest on bonds of each
person, partnership, association, trust, and corporation in this municipality who received,
or to whom accrued, or to whom was credited during any year income from dividends
from stocks or interest on bonds.

67-2-202.

In the ordinance levying the tax under this part, a municipality shall:

- (1) Set the rate of the tax;
- (2) Declare a due date for the payment of the tax;
- (3) Indicate to whom the tax must be paid;
- (4) Provide for extension periods for late filed returns;
- (5) Establish late fees and penalties for delinquent returns;
- (6) Require the person who collects the tax to develop and provide to
taxpayers a tax return form; and
- (7) Provide for the disposition of the revenue from the tax.

67-2-203.

(a) The tax imposed by a municipality under this part does not apply to the first one thousand two hundred fifty dollars (\$1,250) for each individual return or two thousand five hundred dollars (\$2,500) of combined income for persons who file jointly, of income otherwise taxable under this chapter.

(b) The municipality may include other exemptions in the ordinance levying the tax.

67-2-204.

The ordinance passed by a municipality's legislative body to levy the tax under this part must be passed by a two-thirds (2/3) vote of the membership of the legislative body.

67-2-205.

As used in this part, "municipality" means a city incorporated under the laws of this state.

SECTION 2. This act takes effect July 1, 2021, the public welfare requiring it.